



AGENDA DATE: 4/26/00
AGENDA ITEM: 8B

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

IN THE MATTER OF THE JOINT PETITION OF) TELECOMMUNICATIONS
TIME WARNER TELECOM, INC. AND TIME)
WARNER TELECOM OF NEW JERSEY, L. P. FOR) ORDER OF APPROVAL
AUTHORITY TO ENTER INTO CERTAIN)
FINANCING ARRANGEMENTS.) DOCKET NO.: TF00030154

Fred S. Grygiel, Chief Economist, Mark C. Beyer, Manager, Leo M. Lim, Supervising Accountant and Julie Huff, Accountant I, Office of the Economist on behalf of the Staff of the Board of Public Utilities

Leboeuf, Lamb, Greene & Macrae, Newark, N.J. by Colleen A. Foley, Esq. For Time Warner Telecom, Inc. and Time Warner Telecom of New Jersey

BY THE BOARD:

On March 7, 2000, Joint Petitioners, Time Warner Telecom, Inc. ("TW Telecom") and Time Warner Telecom of New Jersey, L.P. ("TW-NJ" or the "Company"), a competitive local exchange carrier authorized to operate in the State of New Jersey, having principal offices at 10475 Park Meadows Drive, Littleton, Colorado 80124, filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU"), pursuant to N.J.S.A. 48:3-7, N.J.S.A. 48:3-9, and N.J.A.C. 14:1-5.9 seeking authority to execute a senior secured revolving credit facility in the initial amount of \$400 million, with an option for an additional incremental facility of \$150 million. TW Telecom is the parent company of TW-NJ.

The revolving credit facility is being funded by a syndicate of financial institutions with Chase Securities, Inc. acting as the lead arranger, which institutions must be agreeable to TW Telecom and Chase Manhattan Bank. The credit facility is structured so that one or more subsidiaries of TW Telecom may borrow from the credit facility and use the proceeds for general corporate purposes, capital expenditures, working capital, and permitted investments and acquisitions.

The credit facility is being secured by a pledge of one hundred (100) percent of the capital stock of all direct and indirect domestic subsidiaries of TW Telecom. To supplement the primary stock security package, a security agreement will grant a security interest in all tangible and intangible personal property of the borrower(s) and domestic subsidiaries, to the extent such an interest may be perfected by a UCC filing and the grant does not require a consent or violate an existing agreement. The projected maturity date of the credit facility is December 31, 2007, with a possible extension of that date based on the incremental credit facility.

The Board, after investigation, having considered the record and exhibits submitted in this proceeding, being satisfied with the action taken by Petitioner as indicated above and finding that the transaction is in accordance with law and is not contrary to the public interest, and approving the purposes thereof, HEREBY ORDERS that Time Warner Telecom, Inc. and Time Warner Telecom of New Jersey, L.P. are HEREBY AUTHORIZED to execute a senior

secured revolving credit facility in the initial amount of \$400 million, with an option for an additional incremental facility of \$150 million.

As a result of this review, Petitioners are authorized under the Secured Revolving Credit Facility:

- A. To borrow from the Senior Secured Revolving Credit Facility for general corporate purposes, capital expenditures, working capital and permitted investments and acquisitions, plus transaction fees and expenses related to the Facility;
- B. To borrow up to \$400 million from the Facility and up to \$150 million from the incremental Facility; and
- C. Pledge the stock and the assets of its subsidiaries, including TW-NJ, to secure the Facility.

This order is subject to the following provisions.

- 1. Petitioners shall notify the Board, within five business days, of any material changes in the Facility, and shall provide complete details of such transactions including any anticipated effects upon service in New Jersey.
- 2. Petitioners shall notify the Board of any material default on the terms of the Facility within five business days of such occurrence.
- 3. This Order shall not affect or in any way limit the exercise of the authority of the Board or of the State in any future petition with respect to rates, franchises, services, financing, accounting, capitalization, depreciation, or any other matters affecting the petitioner.
- 4. This order shall not be construed as directly or indirectly fixing for any purpose whatsoever any value of tangible or intangible assets now owned or hereafter to be owned by petitioner.

DATED: 4/27/00

BOARD OF PUBLIC UTILITIES
BY:

[SIGNED]
HERBERT H. TATE
PRESIDENT

[SIGNED]
CARMEN J. ARMENTI
COMMISSIONER

[SIGNED]
FREDERICK F. BUTLER
COMMISSIONER

ATTEST:

[SIGNED]
EDWARD D. BESLOW
ACTING SECRETARY